Vote No. 18

February 7, 1996, 4:15 p.m. Page S-1053 Temp. Record

FARM BILL/Democratic Alternative Proposal

SUBJECT: Agricultural Market Transition Act of 1996 . . . S. 1541. Daschle amendment No. 3452 to the Craig (for Leahy/Lugar) substitute amendment No. 3184.

ACTION: AMENDMENT REJECTED, 33-63

SYNOPSIS: As introduced, S. 1541, the Agricultural Market Transition Act of 1996, will make sweeping changes to the Nation's farm policies. Farm programs will be reformed to allow farmers to plant what they want when they want, acreage reduction programs will be eliminated, and spending on farm programs will be capped so that subsidy payments will decline as part of a 7-year transition to full market-oriented farming.

The Craig (for Leahy/Lugar) substitute amendment would make numerous compromise changes (see vote No. 9).

The Daschle amendment would make numerous changes, including the following:

- the bill would last for 3 years instead of 7 years;
- the caps on loan rates would be removed; those rates would be raised to 90 percent of average market prices; and discretion to lower those rates to maintain export competitiveness would be removed (this provision alone would increase spending by \$7.6 billion over 7 years);
- for a flexibility contract, instead of receiving funds based on an average of prior payment rates, a program participant would receive 40 percent of that average as an advance deficiency payment (that would not need to be repaid if market prices exceeded target prices) and would receive a further deficiency payment based on production and market conditions;
 - the Farmer Owned Reserve would be restored (for related debate see vote No. 12);
 - authority for the Emergency Livestock Feed Assistance Program would be restored;
- the subsidization of Commodity Credit Corporation loans would be increased by 100 basis points (for related debate see vote No. 11);
- eligibility to participate in the Environmental Quality Incentive Program would be limited to livestock operations that are too small to be subject to Clean Water Act unfunded mandates (for related debate see vote No. 15);

(See other side)

(See other side)							
Republicans (0 or 0%)	YEAS (33) Democrats (33 or 72%)		NAYS (63) Republicans (50 or 100%)		Democrats (13 or 28%)	NOT VOTING (4) Republicans Democrats (3) (1)	
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VOTE NO. 18 FEBRUARY 7, 1996

- a Farmland Protection Act to protect against urban encroachment would be passed;
- the 1938 and 1949 permanent farm laws would not be repealed;
- a conservation escrow account would be created; and
- funds would be authorized to protect the Everglades.

Those favoring the amendment contended:

We agree with our Republican colleagues that farmers should be given the "freedom to farm." Federal rules and regulations are very oppressive, and result in less production and higher prices. Therefore, we have agreed in this amendment to the Republican's proposals to eliminate most farming restrictions. We do not agree, however, with our Republican colleagues' intent to phase out farm programs entirely. The safety net needs to be retained, and the Daschle amendment would retain that net. The Daschle amendment would also restore the authorizations for numerous programs that the Republican bill will rescind, and it would also create new environmental programs, including a conservation escrow account. Other key features of the Daschle amendment include that it would not eliminate the 1938 and 1949 farm program laws, and that it would only last for 3 years instead of 7 years as proposed in the bill. The first feature is important because retaining those laws would make sure that Congress acts when this bill expires, because no one, Democrat or Republican, wants to see those antiquated laws put into force. The second feature is important because the changes in the Daschle amendment, and the changes in the underlying bill that would be retained, are major, and we are not certain of their effects. Therefore, we should revisit this issue in the near future in case some of these changes prove to be ill-advised. We certainly should not wait for 7 years. Overall, the Daschle amendment would provide much more assistance to farmers, while at the same time it would give them much more leeway in their farming decisions. The amendment substantially improves this bill, and therefore merits our strong support.

Those opposing the amendment contended:

We are pleased that those Democratic Senators who have been so vocal in their opposition to this farm bill have come forward with a substantive alternative proposal. Our impression to this point was that they did not have any alternative vision--they seemed more driven by the desire to gain partisan advantage than by the desire to make constructive suggestions. Now, though, they have given us a proposal, if only at the last minute. A brief perusal of this proposal, which does present a legitimate policy alternative, convinces us that we cannot give it our support. Its main features are that it would gut the certainty of payment that is in the bill for farmers who grow program crops in the transitional period, it would greatly increase loan costs, it would increase spending on a variety of other programs (without identifying any way of paying for the increased costs), and it would ask the Senate to approve many of the proposals that it has just rejected on rollcall votes over the course of the previous few hours. We oppose all of these changes, but we must especially object to ending the certainty of payment for program crop participants. The proposal in the Daschle amendment would venture only timidly from current law. Instead of providing certain payments over the next 7 years, the proposal would give payments only for three years based on current farm program policies. No certainty would be provided by that course. Our goal is to give farmers support as they adjust to the free market, it is not to make small adjustments to current policy. Again, we commend the Democratic Leader for making a substantive alternative proposal, but we do not think the way to reform this Nation's farm policy is to tinker around the edges and spend more money. Accordingly, we urge the rejection of this amendment.